

HOUSE BILL 2269
By Head

AN ACT to amend Tennessee Code Annotated, Section 57-6-103; Section 67-2-119 and Section 67-6-712, regarding the distribution of wholesale beer taxes, Hall income taxes and local option sales taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 57-6-103(a), is amended by designating the existing language as subdivision (1) and by adding the following language as subdivision (2):

(2) Notwithstanding any provision of this section or any other law to the contrary, the distribution of the proceeds of the wholesale beer tax to any incorporated city or town shall be capped at the amount collected in that municipality for the fiscal year ending June 30, 1998. Any proceeds collected from the wholesale beer tax in subsequent years that exceed the amount collected in that municipality for the fiscal year ending June 30, 1998, shall be remitted by the municipality to the county in which the majority of the population of the municipality resides. A city or town incorporated after June 30, 1998, shall not receive any proceeds from the wholesale beer tax.

SECTION 2. Tennessee Code Annotated, Section 67-2-119, is amended by adding the following as a new, appropriately designated subsection:

() Notwithstanding any provision of this section or any other law to the contrary, the distribution of the proceeds of the Hall income tax to any incorporated city or town shall be capped at the amount remitted to that municipality for the fiscal year ending

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June 30, 1998. Any proceeds collected from the Hall income tax in subsequent years that exceed the amount collected in that municipality for the fiscal year ending June 30, 1998, shall be remitted by the department of revenue to the county government in which the majority of the residents of the municipality reside.

SECTION 3. Tennessee Code Annotated, Section 67-6-712(a), is amended by adding a new, appropriately designated subdivision after subdivision (2) that reads as follows:

(a)(3) Notwithstanding any provision of this section or any other laws to the contrary, the distribution of the proceeds of this half of the local option sales tax to any incorporated city or town shall be capped at the amount collected in that municipality for the fiscal year ending June 30, 1998. Any proceeds collected from this half of the local option sales tax in subsequent years that exceed the amount collected in that municipality for the fiscal year ending June 30, 1998, shall be distributed in the manner provided for in subdivision (a)(1). A city or town incorporated after June 30, 1998, shall not receive any proceeds from a local option sales tax. All proceeds collected within the territory of any new municipality shall be distributed in the manner provided for in subdivision (a)(1).

SECTION 4. Tennessee Code Annotated, Section 67-6-712(a), is further amended by deleting subdivision (3) in its entirety and substituting instead the following:

(3) Any county, city, town, incorporated area or special school district entitled to receive the proceeds described in subdivisions (a)(1) and (2) has the power and authority, by resolution of the governing body thereof, to pledge such proceeds to the punctual payment of principal of and interest on bonds, notes or other evidence of indebtedness issued for the purpose for which such proceeds are permitted to be spent pursuant to such subdivisions (a)(1) and (2).

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.

